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## Case Study ISO 56005

### SME background

Nationality: Ireland

Industry: Producer of food coloring

### Case

An SME from Ireland produces their food coloring in Serbia under the name ColorYum. Their general manager in Serbia has the responsibility of making sure that the brand is protected in accordance with Serbian law. During the contract under which Serbian factory produces the food coloring, the general manager of this factory leaves the company. After some time, the ColorYum SME in Ireland discovers similar products on the Armenian market called ColorYummy. Thus, the two brands exist with the same word followed by the interjection Yum in another version.

The Irish SME does some research and finds out that after quitting the job, the Serbian general manager has started its own company, producing similar products. Discussing with Helpdesk consultants in Serbia, the Irish SME finds out the former manager has registered the trademarks of the company in Serbia in his own name instead of under the Irish company in Serbia.

In conclusion, the former Serbian manager has registered the trademark ColorYum under his own name in Serbia and launched similar products in Armenia, under the name ColorYummy, registered also under his name.

For the Irish company the situation is very difficult, as it can't sell his products anymore under its own conditions but it has to follow the conditions of the Serbian owner of trademark- the former general manager. Also, competition on the market is tight, as the Serbian owner launched the same products under a slightly different name in Armenia and he also owns the trademark.

### Practical exercise:

**What actions should be taken by the Irish SME food coloring producer in order to have the trademark applied in its own company name?**

**What lessons should be learned from this context?**  
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### Solution:

The trademark registration carried out by the former general manager was done in bad-faith due to his existing relationship with the Irish SME. The Irish SME thus filed for a trademark cancellation as the trademark was registered in bad faith, and then subsequently applied for the trademark itself.

After first having filed the trademark cancellation, which temporarily stopped infringement of the ColorYum trademark, the Irish SME continued to produce the product, but under a different product name. Before the new product name was used, the company checked that there were no conflicting trademarks that had already been registered in Serbia, where they have the factory production. The Irish SME then registered the wordmark and logo and the Serbian character name of the new product. Once the cancellation was concluded and the trademark was applied for in the Irish SME's name, the Irish SME was able to put its products under the initial name back on the market.

#### **Lessons learned**

- Be on top of trademark registrations and make sure the registration of the trademark is conducted in your own company name.
- Draft your contracts with care and with the assistance of legal professionals and translators to make sure that all terms, conditions and obligations are clear for both parties.

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